

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

GEORGE SANOSSIAN,

Defendant.

INFORMATION

24 Cr. 90 (CS)

COUNT ONE

(Conspiracy to Defraud the IRS)

The United States Attorney charges:

BACKGROUND

1. At all times relevant to this Information:

a. GEORGE SANOSSIAN, the defendant, was a certified public accountant in New York State. SANOSSIAN was a partner in a CPA firm (“CPA Firm 1”), which maintained offices in Scarsdale, New York. CPA Firm 1 provided accounting and income and payroll tax services to clients, including nine businesses in the construction industry (the “Clients”).

b. Federal law required employers to withhold from each employee’s pay: i) federal income tax; and ii) the employee’s contribution to Social Security and Medicare, unless that employee was exempt from such withholding. The Clients were required to deposit these withheld funds, together with the employers’ contributions to Social Security and Medicare for each employee (together “payroll taxes”), with the Internal Revenue Service (“IRS”) within a specified period of time after they paid their employees.

c. Employers such as the Clients were also required by federal law to report

to the IRS: i) total wages they paid to employees; ii) the total amount of federal income tax they withheld from their employees' paychecks; and iii) the total amounts of contributions to Social Security and Medicare due from the employer, on Form 941, Employer's Quarterly Federal Tax Return, no later than the last day of the month following the end of each quarter.

2. From in or about 2012 through at least on or about April 15, 2018, GEORGE SANOSSIAN, the defendant, agreed with others engage to scheme to: (a) fraudulently reduce the income and, thereby, the income tax liability of clients of his accounting firm; (b) conceal wages paid to employees by clients of his accounting firm, and, thereby, fraudulently reduce the payroll tax liability of those clients; and (c) conceal personal income of clients of his accounting firm.

3. From at least in or about 2012 through at least in or about February 2017, GEORGE SANOSSIAN, the defendant, and others at CPA Firm 1 advised the Clients to participate in a scheme to reduce their federal income and payroll tax liability. Pursuant to this scheme, the Clients issued checks made payable to a shell company and gave the checks to SANOSSIAN and others at CPA Firm 1. SANOSSIAN and others at CPA Firm 1 then caused the checks to be cashed at a check cashing service and returned the cash, minus a fee, to the Clients. Some Clients used the cash to pay employees without reporting the cash wages on their Forms 941, thereby evading both their employer contributions to Social Security and Medicare and their obligation to withhold income tax on those wages, which permitted the employees to evade federal and state income tax. The owners and managers of some Clients took the cash for personal use without reporting the income on their personal federal and state tax returns. SANOSSIAN and others at CPA Firm 1 caused checks to be cashed in this manner for Clients in a total amount exceeding \$2 million.

4. From in or about 2012 to in or about April 2018, in the Southern District of New

York and elsewhere, GEORGE SANOSSIAN, the defendant, together with others at CPA Firm 1, the Clients, owners and managers of the Clients, and others, did knowingly conspire and agree with each other to defraud the United States of America and the IRS, an agency of the United States.

5. It was a part and object of the conspiracy that GEORGE SANOSSIAN, the defendant, and others, would and did knowingly defraud the United States of America and the IRS for the purpose of impeding, impairing, obstructing, and defeating the lawful Government functions of the IRS in the ascertainment, computation, assessment, and collection of revenue, to wit, federal income taxes and federal payroll taxes.

Overt Acts

6. The following overt acts, among others, were committed and caused to be committed in the Southern District of New York in furtherance of the conspiracy and to effect its illegal object thereof:

a. On or about January 22, 2017, the owner of Client 1 issued a check drawn on Client 1's account in the amount of \$9,200 and made payable to Tios Construction Corp.

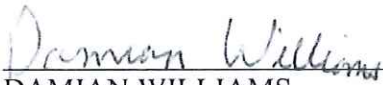
b. On or about January 23, 2017, the owner of Client 1 texted one of SANOSSIAN'S co-conspirators and partners at CPA Firm 1 ("CC-1"), "[t]he check is in your mailbox."

c. On or about January 25, 2017, CC-1 texted the owner of Client 1 "[y]our papers are ready. Can we meet tonight in NJ? What time?? I can meet you at my firehouse."

d. On or about February 15, 2017, a manager of Client 2 issued a check drawn on Client 2's account in the amount of \$8,900 and made payable to Tios Construction Corp.

e. On or about April 1, 2018, the manager of Client 2 filed with the IRS a U.S. Individual Income Tax Return Form 1040 for the Tax year 2017 in which he failed to report income he received from the check cashing scheme described above.

(Title 18, United States Code, Section 371.)


DAMIAN WILLIAMS
United States Attorney